



## COMMONWEALTH OF KENTUCKY

Department of Insurance

P.O. Box 517

Frankfort, Kentucky 40602-0517

## PROPERTY AND CASUALTY DIVISION MEDICAL PROFESSIONAL LIABILITY INSURANCE ANNUAL CALL FOR DATA

### INSTRUCTIONS

The following call for data is to be completed by all carriers who write medical malpractice/professional liability insurance as defined by KRS 304.5-070 (1) (j), Casualty Insurance (Malpractice), in Kentucky.

KRS 304.40-075 (6) states that the Department of Insurance shall retrospectively review on an annual basis the premiums paid pursuant to this section as opposed to the expenses incurred by the insurers covering risks under this section to determine if the profits made for those risks were consistent with reasonable loss ratio guidelines. If the determination is made that the profits were not consistent with reasonable loss ratio guidelines, the Department of Insurance shall determine the amount of the premiums to be refunded to the Commonwealth.

806 KAR 40:020, Section 3 outlines the information that the Department needs to collect in order to establish reasonable loss ratio guidelines for medical professional liability insurance. The worksheet included with this request should be self-explanatory.

This **first report is due September 1, 2000**. The data are to be presented on a calendar-year basis (Kentucky only). You may use line of business #11 from statutory page 14 of the annual statement to obtain the premium information. For the incurred loss data, be sure to include all LAE (loss adjustment expense), both allocated and unallocated, paid and reserves. The loss ratio is the incurred losses (incl. all LAE) ratioed to the earned premiums. Provide the Office with five years of data- 1995 through 1999 for this first report; next year, 1996-2000; etc. **Next and subsequent years' reports are due on March 1<sup>st</sup> each year.**

The expense provisions are to be presented as a percentage of premiums written. Use the latest information available for this section of the data call. For taxes, licenses and fees do not include the Kentucky Municipal Premium Tax since it is not included in your rates. Your "profit & contingencies" provision must be offset for investment income.

Once the Department's industry review is completed, those companies (if any) who have written the medical malpractice insurance for charitable health care providers and who have included provisions for expenses inconsistently higher than industry provisions will be notified in writing of the amount of premiums to be refunded to the Commonwealth.